

FAS-930
(05-21-04)U.S. DEPARTMENT OF AGRICULTURE
Foreign Agricultural ServiceTRADE ADJUSTMENT ASSISTANCE (TAA) FOR FARMERS
PETITION FOR CERTIFICATION AND ELIGIBILITY FOR A GROUP OF PRODUCERS

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is the Trade Adjustment Assistance for Farmers, (Pub. L. 107-210). The information will be used to determine program eligibility. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in denial of program benefits. This information may be provided to other agencies.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0551-0040. The time required to complete this information collection is estimated to average 6 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Completed petition must be submitted by January 31 and faxed or emailed or mailed to addresses listed below.

Deadline for petition submission is January 31 by one of the following methods:

FAX

(202) 720-0876

EMAIL

or trade.adjustment@fas.usda.gov

ADDRESS

U.S. Department of Agriculture
Import Policies and Programs Division/FAS
1400 Independence Ave., S.W.
Stop 1021
Washington, DC 20250-1021

| | | | |
|--|-----------------------|--|----------------------|
| 1. Name of Authorized Representative or Primary Contact Larry Dunagan | | 2. Name and Business Address (Including City, State, and Zip Code) Larry Dunagan 15025 S.W. 232 St Goulds, FL 33170 | |
| 3. Telephone Number (Including Area Code) (305) 794-4592 | | | |
| 4. Fax Number (Including Area Code) (305) 248-6888 | | 5. E-Mail Address | |
| 6. This petition is made on behalf of the following producers: (Use separate sheet for additional producers) | | | |
| A. Name of Producers | B. Mailing Address | C. Telephone No. (Including Area Code) | D. E-Mail Address |
| Larry Dunagan | Goulds, FL 33170 | | |
| John LaPradd | Homestead, FL 33031 | | |
| Murray Mantell | Miami, FL 33143 | | |
| | | | |

7. COMMODITY INFORMATION:

| | |
|--|--|
| A. Description of the raw (excludes processed) agricultural commodity: (e.g., fresh raspberries) Fresh Avocado | B. Competing Imported Commodity's Harmonized Tariff Schedule (HTS) Number (HTS can be found at: http://www.usitc.gov/affairs.htm) 080440.00 |
|--|--|

C. This petition is for the most recent marketing year for the commodity beginning in January/2004 and ending December/2004
(month/year) (month/year)

D. Check whether the certification is to cover a commodity produced nationally or in an "impacted" area (state or states):

☐ National ☒ State(s) (list): Florida

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8. If Item 7D "National" is checked, provide the national average annual price for the most recent marketing year and the 5 preceding marketing years. If Item 7D "State(s)" is checked to indicate that the petition is for an impacted area, provide the relevant average price for the most recent marketing year and the 5 preceding years, and specify the months being averaged if the price is for less than 12 months (seasonal price).

NOTE: Use Official data if available. The Department's National Agricultural Statistical Service (NASS) has national price data available for many raw agricultural commodities. That information can be found at: www.usda.gov/nass. You must state the source of your price data. If you do not use official data, you must provide contact information for verification purposes and supporting documentation to show how your price was calculated.

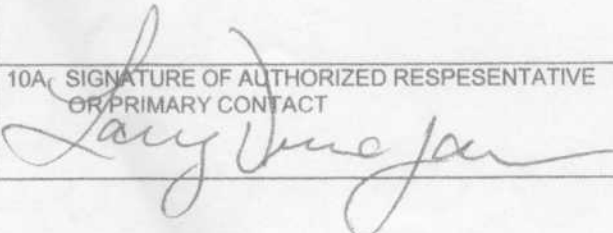
| A. Marketing Year | B. Average Annual Price | | | | |
|--|-----------------------------------|-------------|-------------|-------------|-------------|
| Most recent: 2004 | \$ 11.22 | | | | |
| Provide prices for the 5 years prior to the most recent marketing years. Beginning with the most recent. | C. 5-Year Average Annual Price | | | | |
| | 1 Year ago | 2 Years ago | 3 Years ago | 4 Years ago | 5 Years ago |
| | \$ 17.61 | \$ 11.98 | \$ 18.45 | \$ 14.78 | \$ 19.76 |

9. Basis for request for adjustment assistance. Please explain or attach any documents, which show how increased imports have affected the national price of your product during the most recent marketing year. In your description include any other factors which may also have contributed to lower producer prices.

The Florida producers of avocados experienced very low prices in the year 2004, the average price being \$11.22. The average price for the five previous years was \$16.51. The 2004 price was 67.95% of the five year average.

The effects of imported avocados on US producers are shown in exhibits 1 and 2 by the following underlined statements " Imported avocados which accounted for less than 1.5% of total US supply during the 1970s and 1980s increased their shares to over 44% in 2002/03 and further increases are on the horizon (Exhibit 3 illustrates this in graphic format)." "...increasing imports from Chile and Mexico continue to place economic pressure on the California industry and threaten the survival of many California producers." "One Agricultural Department predicts prices paid to California growers could fall by as much as 20%." Exhibit 4 shows the actual rise in US imports of avocados between the years 1999 to 2003. This rise in imports is the major cause for many of our Florida producers having severe operating losses for the 2004 period.

The average annual price data shown in this petition was obtained from the University of Florida (see exhibit 5) which collected information from local packing houses. The calendar year data was used as an adjusted marketing year as calendar year data was more readily available. Many of the local groves leases are based upon calendar years. As shown in exhibit 6, the production after December 31, in a typical year is less than 1% of the total year.

| | | |
|---|------------------------|-----------------------------|
| 10A. SIGNATURE OF AUTHORIZED REPRESENTATIVE OR PRIMARY CONTACT  | 10B. TITLE PRODUCER | 10C. DATE SIGNED 1/18/05 |
|---|------------------------|-----------------------------|

**The Hass Avocado Promotion And Research Order: Offsetting Price Impacts From
Imports With Advertising and Promotion**

by

Hoy Carman and Ana Maria Rodriguez*

Abstract

Imported avocados, which accounted for less than 1.5 percent of total U.S. avocado supply during the 1970's and 1980's, increased their share to over 44 percent in 2002-03 and further increases are on the horizon. With inelastic demand, imports placed substantial pressure on domestic avocado prices, but demand increases due to generic advertising and promotion, higher consumer incomes and population growth helped offset increased avocado supplies and domestic prices were maintained. The new Hass Avocado Promotion and Research Order will continue to offset a portion of the price impacts of increased imports from Mexico, Chile and other suppliers.

* Hoy Carman is Professor of Agricultural and Resource Economics and Ana Maria Rodriguez was a Post Graduate Research Agricultural Economist in the Department of Agricultural and Resource Economics, University of California, Davis, California.

The Hass Avocado Promotion And Research Order: Offsetting Price Impacts From Imports With Advertising and Promotion

California avocados, a high value specialty crop, have annual sales that rank well within the top ten California fruit and nut crops. With acreage and production centered in Southern California, the state's avocado industry has prospered despite pressures from urbanization and high costs of production due to prices for land, water, and labor. Increasing consumer incomes, population growth, and avocado industry advertising and promotion programs have helped increase the demand and price for avocados over time. These favorable demand conditions and trade agreements have encouraged sharp increases in avocado imports with further increases on the horizon. During the two decades from 1970 through 1989 imports accounted for less than 1.5 percent of annual U.S. avocado consumption. The import share increased to an average of 10 percent annually from 1990 through 1997 and, with Mexican imports of fresh avocados beginning in 1997, the import share increased from 26 percent of total U.S. avocado consumption in 1998 to over 44 percent of total consumption in 2003. With U.S. demand for avocados being inelastic at the producer level, increasing imports from Chile and Mexico, continue to place economic pressure on the California industry and threaten the survival of many California producers.

Well aware of the economic pressures posed by avocado imports, and the knowledge that imports will increase, the California avocado industry, working through the California Avocado Commission (CAC), has focused its efforts on organizing programs to increase the demand for avocados, regardless of source. Industry efforts led to creation of the Hass Avocado Promotion, Research, and Information Act of 2000 that was signed into law by President Clinton on October

EXHIBIT 2

PressClub

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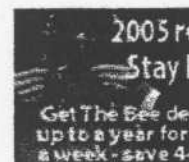
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**Politics** NATIONAL POLITICS**U.S. allows more avocado imports from Mexico**

By Michael Doyle -- Bee Washington Bureau

Published 2:15 am PST Wednesday, December 1, 2004

WASHINGTON - The Bush administration on Tuesday expanded imports of Hass avocados, granting the Mexican government a diplomatic victory but overriding early resistance from California farmers and lawmakers.

In a much-anticipated decision, the Agriculture Department declared the Hass avocados grown in Mexico can be distributed in all states starting Jan. 31 except California, Florida and Hawaii. The expanded distribution eventually will include all states.

"There is minimal risk associated with an expanded import program," said Melissa O'Dell, spokeswoman for the Animal and Plant Health Inspection Service.

The Mexican government has been seeking the change for years in a fight that's played out on Capitol Hill, at international trade talks and in a Fresno courthouse. It's left some bruises.

"Clearly, California growers still have some very serious concerns about pest infestations from increased imports," said Thom as Bellamore, senior vice president of the California Avocado Commission.

Democratic Sen. Barbara Boxer likewise said, through her spokesman David Sandretti, that "the Department of Agriculture should have gone further to keep pest-ridden avocados out of the state."

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At the same time, Bellamore said California growers are "certainly pleased" that the Agriculture Department agreed to postpone Mexican shipments to California by another two years. Boxer likewise praised the longer phase-out for California, while saying it should have been extended to neighboring states.

"We think that the two-year exclusion will ensure domestic growers are protected," Bella more said.

Consumers can expect lower prices. After all, the average U.S. wholesale price of \$1.08 per pound is more than twice the average Mexican wholesale price of 46 cents per pound.

On the other hand, some California producers could lose out. One Agriculture Department estimate predicts prices paid to California growers could fall by as much as 20 percent.

"California producers will be economically harmed," Agriculture Department officials conceded in their formal notice, but "we have no reason to expect the demise of the California avocado industry."

California now claims about 4,800 avocado farms, primarily in San Diego, Ventura, Santa Barbara and Riverside counties.

While the number of California farms has been shrinking, imports from Mexico have been growing dramatically. Even with the existing import limits, Mexican avocado shipments to the United States more than doubled between 2001 and 2003, to 77 million pounds.

California producers grew 335 million pounds last year.

This prospect of stiffer competition helped spur some of the 17,000 public comments received by the Agriculture Department following its initial proposal to expand the avocado imports. In partial response, the department agreed to several changes, including delaying the expanded distribution to all 50 states for two years.

The delay is consistent with the avocado controversy's long lifespan. A U.S. ban on Mexican avocado imports held for 83 years, until the Agriculture Department partially lifted it in 1997. Officials said at the time they could control the spread of fruit flies.

The state's avocado growers, nonetheless, filed a 2001 lawsuit in U.S. District Court in Fresno. The lawsuit contended the Agriculture Department hadn't yet obtained congressional approval or completed a required environmental study. A decision is pending.

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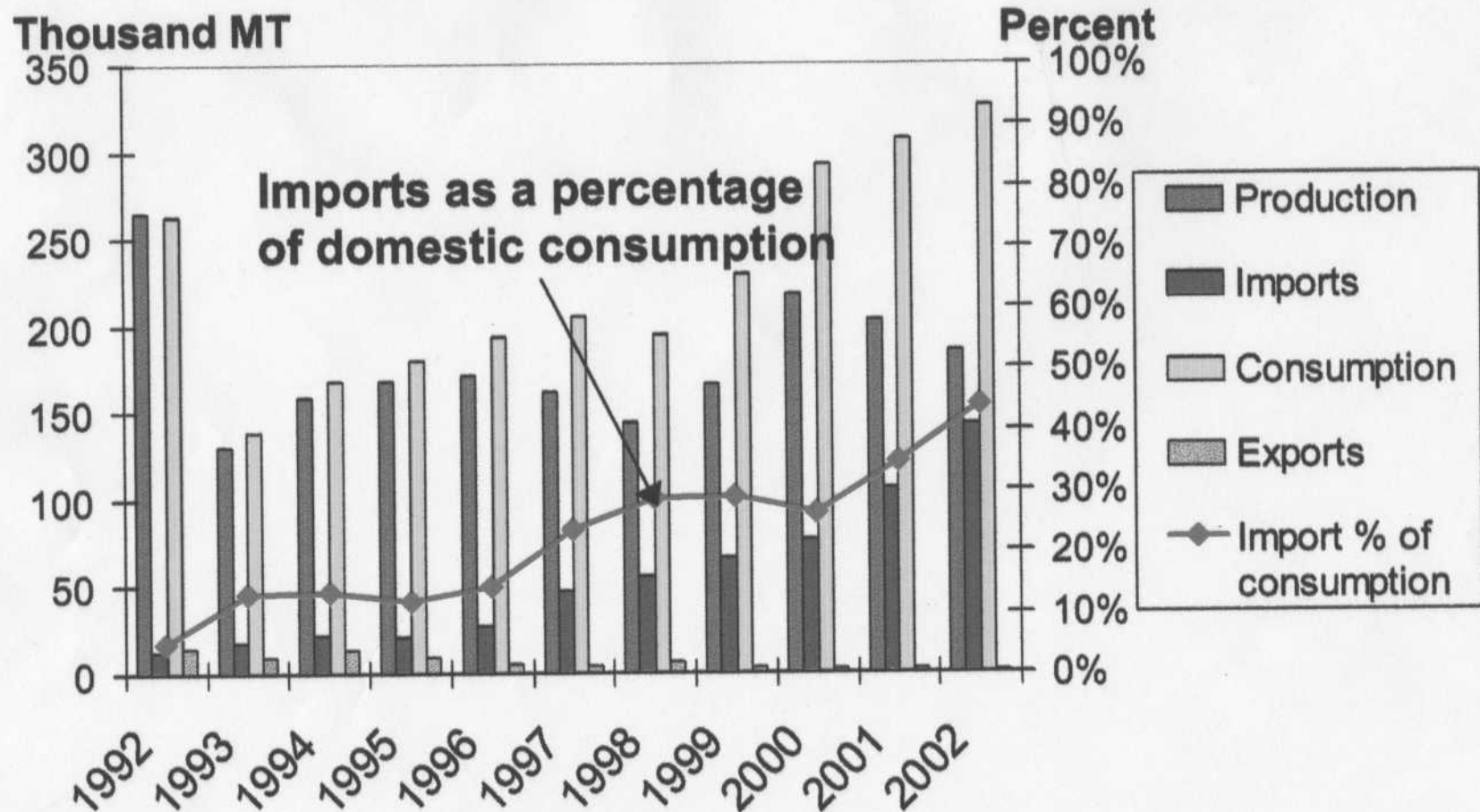
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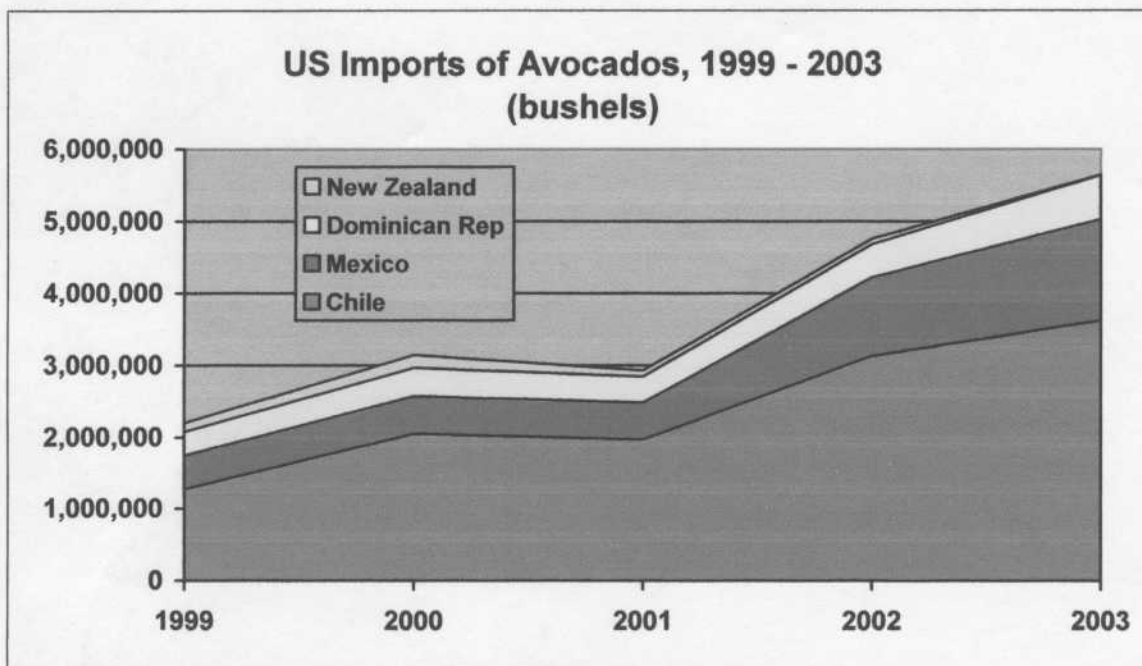
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U.S. Production, Consumption and Trade

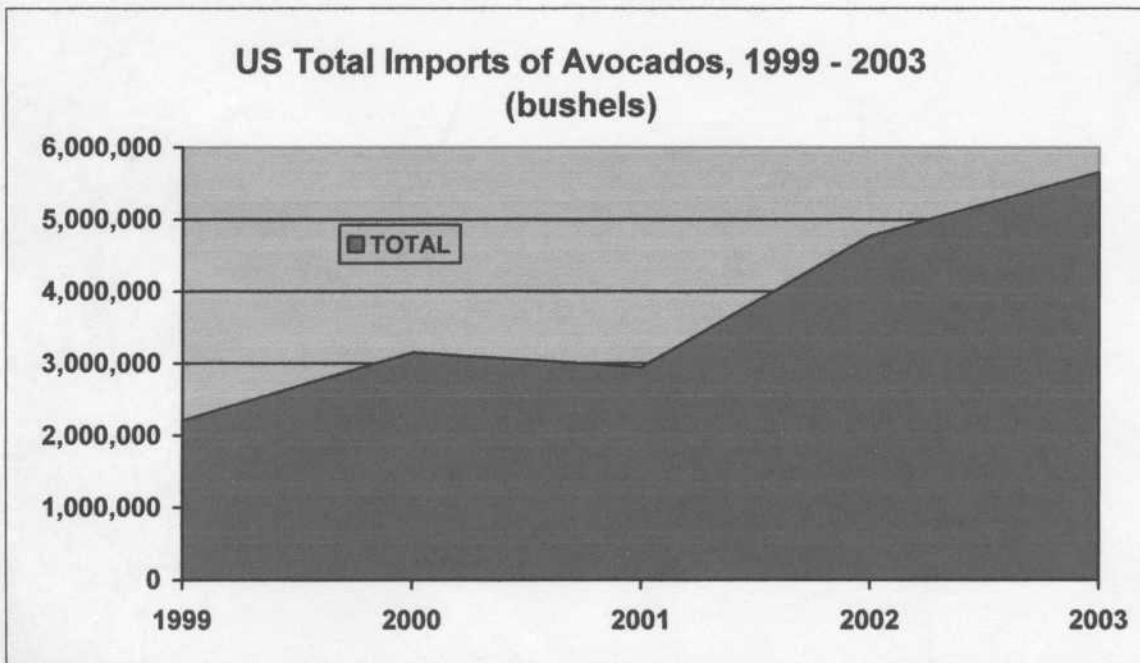


Source: FAS Production, Supply, and Distribution data

EXHIBIT 4



Source: Compiled by University of Florida using data provided by the United States International Trade Commission. The Harmonized Tariff Schedule of the US available at <http://dataweb.usitc.gov/>



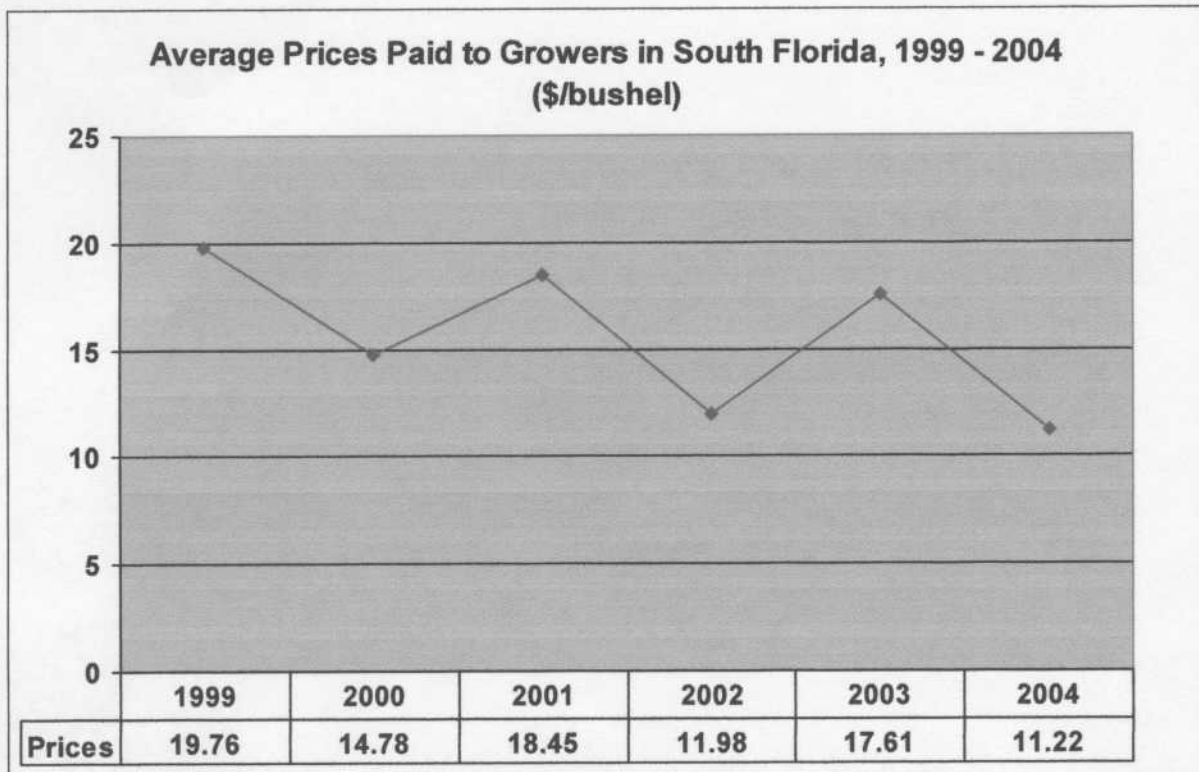
Source: Compiled by University of Florida using data provided by the United States International Trade Commission. The Harmonized Tariff Schedule of the US available at <http://dataweb.usitc.gov/>

US Imports of Avocados, 1999 -2003, (bushels)

| | 1999 | 2000 | 2001 | 2002 | 2003 |
|---------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Chile | 1,274,068.94 | 2,050,269.26 | 1,970,370.43 | 3,133,224.58 | 3,627,017.90 |
| Mexico | 472,671.49 | 526,511.20 | 515,306.60 | 1,088,943.87 | 1,402,771.69 |
| Dominican Rep | 333,015.27 | 393,833.24 | 362,133.69 | 462,507.35 | 610,428.49 |
| New Zealand | 122,049.77 | 175,283.84 | 85,051.67 | 75,437.53 | 4,661.33 |
| TOTAL | 2,212,036.34 | 3,151,518.88 | 2,947,634.22 | 4,770,458.53 | 5,657,209.64 |

Source: Compiled by University of Florida using data provided by the United States International Trade Commission. The Harmonized Tariff Schedule of the US available at <http://dataweb.usitc.gov/>

EXHIBIT 5
Avocado Prices



Source: Compiled by University of Florida/Tropical Research and Education Center

Edward A. Evans
extension economist

EXHIBIT 6

Weekly Florida Avocado Shipments
Industry Totals

